canning and preserving, much of it coming in potato processing in eastern Oregon. Demand and prices for potatoes have improved sharply since one year ago.

Elsewhere in nondurable goods manufacturing job levels were little changed over the month. An expected increase in road construction projects this summer however, did bring some hiring in Petroleum Refining where asphalt products are produced.

In the nonmanufacturing industries, employment rose by 1900 in February - a little more than seasonally expected. The hiring of substitute teachers during the flu season accounted for much of the increase. Hiring also picked up in private business and educational services, and in trucking and warehousing during February.

Although consumer spending is still one of the major props necessary for further economic growth in 1984, employment in retail trade slipped by 2,200 last month. For the most part this reflected a normal seasonal slowdown in restaurants and in general merchandise stores where layoffs followed annual inventory activity and post-holiday clearance sales. Prospects for consumer spending and retail trade remain very good, however, for spring and summer. This is virtually assured by the employment gains that have already occurred over the past year, by increased hiring activity expected in the months ahead as the recovery expands further into the capital goods oriented industries, and by a huge flow of income tax refunds back to taxpayers following last July's 10% cut in federal income tax rates.

Although the construction industry's employment trend was down by 500 in February, wet weather was largely to blame. This sector has been very slow to recover from the recession and will probably continue to struggle during 1984. High interest rates will still be exerting a powerful drag on building activity, but there are at least two factors that offer hope. The first is a 10-15% growth in funding for road and bridge projects, financed from recent increases in both Federal and State gasoline taxes. This will provide a further shot in the arm to the Heavy Construction sector which initiated the industry's weak turnaround in 1983.

The second positive factor is less certain and impossible to measure at this time. Since about 1981, more people have been leaving Oregon than moving into the state due primarily to limited job opportunities. This net out-migration flow of about 25,300 in 1981-82 and nearly 40,000 in 1982-83 has slowed Oregon's economic recovery in many industrial sectors, including construction. With nonfarm employment now 38,000 higher than a year ago and further gains expected in 1984 there is a good chance that the net outflow of people has stopped and that population in-migration will begin to occur in 1984. Although there will continue to be differences in the rates of population growth and even decline in various parts of the state, the overall effect should be positive in 1984 for Oregon.

In summary, February was a good month. All of the key economic indicators advanced and the recovery continued to broaden its base into more of the basic manufacturing industries.

THE EMPLOYER'S CORNER

Jim Mosley

The Oregon Employment Division has launched a new program which will increase the detection and prevention of improper Unemployment Insurance payments. This new unit is called Random Audit. It is a quality control program and begins April 1, 1984.

Each week will begin with a random selection of several claims. Each claim will be thoroughly investigated. The Random Audit Investigator will assess the accuracy of the payments. Investigators will contact employers in advance to schedule appointments for personal visits to verify work searches, earnings and reason for separation. They will also conduct comprehensive interviews with the claimants. The data they gather will provide the Employment Division with valuable information on statewide causes of both overpayments and underpayments.

We encourage all employers to cooperate in the Random Audit Program whenever an investigator contacts them for information. Detection and correction of payment errors will help limit the tax dollars Oregon employers contribute to support the unemployment insurance program.

ONCOMING JSEC SPONSORED SEMINARS.....

March 29	Opening a Small Business Klamath Falls
March 30	Summer Youth-Targeted Jobs Tax Credits-Portland
April 4	Employment at Will Beaverton - Hillsboro
April 12	TJTC and Emergency Veterans Jobs Training Act-Bend

If you are interested in attending any of these seminars, please contact your nearest Employment Office.

1982 COVERED EMPLOYMENT AND PAYROLL DATA NOW AVAILABLE

The annual publication, Oregon Covered Employment and Payrolls by Industry and County, is now available for 1982. Tables within the publication depict employment and payroll data at the four-digit industry level (using Federal Standard Industrial Classification codes) for the state and two-digit industry level for each Oregon county. If you have not received a copy and would like to be placed on the mailing list, please contact:

Oregon Employment Division R & S
Attn: ES 202
875 Union Street, NE
Salem, OR 97311
Telephone: 378-8655
Toll Free in Oregon:
1-800-237-3710 X 8-8655

HOURS & EARNINGS – ANOTHER PERSPECTIVE OF CHANGE

Mark Hunt

Evidence of Oregon's recovery is growing. The jobless rate continues to slide while Hours and Earnings offer additional proof of increasing stability. Business activity is making solid gains, but manufacturers still prefer to remain cautious about major projects or adding too many employees to the workforce. The emphasis on cost control is indicative of the competitive nature of this recovery. Structural changes are also providing a subtle influence on how Oregon is emerging from this recession. Dependence on natural resources, especially forest products, is gradually eroding through diversification of the State's economy and changing markets. Change has nurtured growth in areas such as Electronics, Printing and Publishing, and Food Processing. Years rather than months are required for such changes to occur - but occur they do.

A measure of these changes can be gleened by comparing the relative size of specific industries using both employment and production worker payroll data. The comparison allows ranking of industries by their percentage share of Total Manufacturing. Viewed over time, some of the structural changes begin to emerge and offer a perspective of the changing economic impact some industries are facing. The following list provides a look at how these changes have affected some of Oregon's major manufacturing industries from January 1973 to January 1984:

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan.2/ 1984	Dec.3/ 1983	Jan. 1983	Jan.2/ 1984	Dec.3/ 1983	Jan. 1983	Jan.2/ 1984	Dec.3/ 1983	Jan. 1983
TOTAL MANUFACTURING 4/	$411.47	$406.21	$392.43	39.3	39.4	38.1	$10.47	$10.31	$10.30
Durable Goods	423.20	415.27	405.58	40.0	40.2	38.7	10.58	10.33	10.48
Lumber & Wood Products	440.30	428.79	420.03	40.1	40.3	39.0	10.98	10.64	10.77
Logging & Sawmills	472.82	457.88	456.11	39.8	40.7	39.8	11.88	11.25	11.46
Veneer & Plywood	452.19	433.76	412.16	41.6	40.5	38.7	10.87	10.71	10.65
Millwork & Struct Wood	331.30	343.76	306.45	39.3	40.3	37.1	8.43	8.53	8.26
Mobile Homes	239.37	243.02	271.17	33.2	33.2	34.9	7.21	7.32	7.77
Other Wood Products	446.89	435.71	400.40	40.7	39.9	38.5	10.98	10.92	10.40
Furniture & Fixtures	261.46	263.93	228.72	34.0	34.5	33.1	7.69	7.65	6.91
Primary Metals	515.27	514.37	484.29	43.3	42.9	37.6	11.90	11.99	12.88
Fabricated Metals	387.29	388.73	385.06	39.6	40.2	38.2	9.78	9.67	10.08
Machinery	409.85	416.64	403.26	40.3	40.1	37.9	10.17	10.39	10.64
Nondurable Goods	377.21	379.53	356.85	37.2	37.1	36.6	10.14	10.23	9.75
Food & Kindred Products	306.76	312.05	296.01	35.3	35.5	34.5	8.69	8.79	8.58
Canning & Preserving	241.29	244.49	223.25	33.7	33.4	31.4	7.16	7.32	7.11
Other Food Products	395.25	400.05	395.76	37.5	38.1	38.8	10.54	10.50	10.20
Textile Mill Products	214.07	212.65	206.84	35.5	35.5	35.6	6.03	5.99	5.81
Apparel	216.55	211.20	196.54	38.6	38.4	35.8	5.61	5.50	5.49
Paper & Allied Products	558.67	594.56	534.20	41.2	41.9	41.8	13.56	14.19	12.78
Printing & Publishing	417.20	383.95	372.73	36.5	35.0	34.9	11.43	10.97	10.68
Construction 4/	487.25	477.86	525.27	32.9	31.9	31.7	14.81	14.98	16.57
Communications & Utilities 5/	506.65	490.92	447.72	39.8	38.9	39.0	12.73	12.62	11.48
Trade 5/	282.56	280.36	272.36	33.4	34.4	33.5	8.46	8.15	8.13
Wholesale Trade	392.17	372.13	365.77	37.6	37.4	37.4	10.43	9.95	9.78
Retail Trade	231.10	239.64	224.91	31.4	33.1	31.5	7.36	7.24	7.14
Banking & Insurance	275.28	259.76	254.85						
State & Local Government	319.46	319.38	307.39						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

1973 Production Payroll	% of Total Mfg.	1984 Production Payroll	% of Total Mfg.
Logging & Sawmills	25%	Logging & Sawmills	22%
Veneer & Plywood	14%	Veneer & Plywood	11%
Trans. Equip.	07%	Paper & Allied	07%
Machinery	04%	Measuring Inst.	07%

1973 Employment	% of Total Mfg.	1984 Employment	% of Total Mfg.
Logging & Sawmills	21%	Logging & Sawmills	17%
Veneer & Plywood	14%	Veneer & Plywood	09%
Other Food Proc.	06%	Machinery	08%
Machinery	06%	Measuring Inst.	08%

Certainly, Lumber and Wood Products industries will continue to be a dominant force in Oregon's economy, however, the above comparison reflects the gradual decline in their relative importance. Conversely, changes are occurring in other significant manufacturing industries. The economic importance (measured by payroll) of Paper and Allied Products and Measuring Instruments, for example,has supplanted that of Transportation Equipment and Machinery. The sheer size of Measuring Instruments and the high average hourly earnings for Paper and Allied Products ($13.56 for January 1984) fueled this change.

Increasing pay scales have also widened the gap between employment and payroll's percentage share of total manufacturing between 1973 and 1984. A good example of this is Veneer and Plywood. In 1973 the percentage share for both indicators was 14%, while 1984 lists payroll at 11% compared to 9% for employment. During this time hourly earnings have climbed from $4.57 to $10.87.

The shrinking size of Veneer and Plywood reflects in part an eroding market due to increased transportation costs, a declining supply of old growth timber, as well as increased competition from the Southern Region of the United States. The appearance of Measuring Instruments among leading Oregon industries signals the emergence of so-called high-tech industries to a position of prominence in the state's economy. Indeed, of the six largest employers three are associated with new technologies.

Reviving from a succession of bad years, Lumber and Wood Products did come back to life in 1983. Production activity measured by average weekly hours remains strong going into 1984. Though January's 40.1 was .2 below the previous month, it was the highest workweek average since 1978. Strength in the forest products sector coupled with solid gains over the year in Primary Metals (+5.7 hours), Fabricated Metals (+1.4) and Machinery (+2.4) all contributed to the 39.3 average for Total Manufacturing --the highest January figure since 1972. Representation by industries on the move is also weighted toward those with higher pay scales, resulting in obvious earnings benefits for Durable Goods workers.

Nondurables did not fare as well in January, but neither did it reverse the trend set by Durable Goods. Hourly earnings fell $.09. The slight decline was largely a reflection of a return to a more normal level of operation by producers of Paper and Allied Products. Extremely cold weather in December forced excessive overtime in this industry and artifically boosted hours and earnings above normal levels.

Consumer plans figure prominently in how Nonmanufacturing sectors fare. A still too weak housing market in Oregon has left Construction dependent on Heavy Construction, largely road building or repair projects. As such, employment and weekly hours remain sluggish despite the 1.0 hour increase reported for January. Increased consumer activity in Trade has stimulated employment and kept the December to January drop in weekly hours .2 below normal expectations. (Average 1.2 since 1973).

The structural changes at work do not negate the significance of short-term swings, but are important for the perspective gained. Diversity will enable Oregon to better cope with future economic adversity, and that is the bottom line!

ANNUAL REVISIONS

Gary Barker

Once each year those of us involved in producing employment and unemployment data in cooperation with the U.S. Bureau of Labor Statistics devote considerable effort to the task of revising and upgrading our estimates of the prior couple of years. This "benchmarking" process pulls together all the latest data, including some that was not available when the original estimates were made. The result is a sound historical time series and a solid base for the estimates of the coming year.

Boring stuff? The "number crunching" aspect of benchmarking can be and the results many times just reinforce the direction evident in the earlier statistics. The 1982 data was no exception, showing little change from the original estimates. Indeed, the 1982 unemployment rate remained unchanged at 11.5% and total nonfarm employment held at 960,800.

Two points are evident from the 1982 numbers. First, with the highest unemployment rate on record the state's economy was suffering - 1982 saw the state go still deeper into the recession. And second, our ability to track the downturn held up exceptionally well that year despite the "hard to believe" depths to which the numbers and the economy had fallen.

Then in 1983 a change began taking place in the economy of Oregon - it headed up instead of down. In fact, looking at the newly benchmarked numbers it moved up in some areas at a pace faster than we were able to track. A comparison of the employment numbers reveals the following:

1983 AVERAGE EMPLOYMENT

	Revised ('83 BM)	Original ('82 BM)	Change	% Change
Total Nonfarm	963,700	951,300	12,400	1.3
Manufacturing	187,000	186,100	900	.5
Lumber & Wood	62,000	62,200	- 200	- .3
Other Durables	71,700	70,600	1,100	1.6
Food & Kindred	23,800	24,000	- 200	- .8
Other Nondurables	29,500	29,300	200	.7
Nonmanufacturing	776,700	765,200	11,500	1.5
Mining & Quarrying	1,600	1,400	200	14.3
Construction	26,400	27,700	-1,300	- 4.7
Trans., Comm. & Util.	54,900	55,200	- 300	- .5
Trade	242,200	239,700	2,500	1.0
Fin., Ins. & Real Est.	64,700	63,800	900	1.4
Services	193,900	185,900	8,000	4.3
Government	193,000	191,500	1,500	.8

During an economic rebound it is sometimes difficult to accurately track the expansion happening in the economy. Growth among small firms and those establishments just getting started is the hardest to follow. Such was the case during the last half of 1983 when business expansion showed a surge. Most apparent is the previously underestimated growth that occurred in some of the nonmanufacturing industries, especially trade and services.

Painfully evident, too, is the fact that Oregon's construction industry failed to come out of the starting gate. Construction employment remained stuck in the quagmire created by too many homes affordable by too few people, a reflection of the state's earlier economic dilemma.

Some changes were also evident in the labor force statistics for the state, particularly the unemployment data. Basically, the revisions showed the rate of unemployment was up more than the earlier statistics indicated during the first half of the year and, conversely, the rate came down at a faster pace during the last part of the year. The end result was little overall change for 1983. The newly benchmarked data shows an annual average unemployment rate of 10.8% versus an original estimate of 10.6%.

Overall, the benchmark revisions lead to one conclusion: the economy of the state of Oregon was indisputably on the mend in 1983, particularly the last half of the year. Given that as a foundation and supported by the positive evidence available to us for the first couple of months of this year, it is apparent that 1984 holds all the ingredients for the making of a year of progress for Oregon.

OREGON CAREERS

The updated issue of Oregon Careers is now available. This year's 32-page newspaper again provides information on more than 250 occupations and contains many new articles.

The "Career Guide" section of the newspaper describes the major occupations in Oregon as well as includes the number of persons employed, average wages, employment outlook, training requirements, and schools that offer training. Features in the rest of the tabloid include:

An overview of 18 career clusters,
Job search techniques,
A career planning quiz,
The impact of high technology on Oregon's jobs,
A brief outlook of 1984's job market,
Highlights of the new Job Training Partnership Act program in Oregon, and
The top 20 occupations.

Sixty thousand copies of Oregon Careers have been printed. Most have been sent to high schools, community colleges, and Job Training Partnership Act Summer Youth Employment & Training Program.

A limited number of copies may be available by contacting:

Employment Division - R & S
Attn: Dwayne Stevenson
875 Union NE
Salem OR 97311
Telephone 378-6400
Toll free in Oregon:
1-800-237-3710 X 8-6400

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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